



CONNECTICUT ASSOCIATION OF
REALTORS® INC.

Statement on

**H. B. 5560: AAC THE MUNICIPAL SHARE OF THE REAL ESTATE CONVEYANCE TAX
OPPOSE... (MAKES TEMPORARY TAX ON HOMESSELLERS PERMANENT)**

S.B. 369: AAC HOMESTEAD EXEMPTION - - OPPOSE

S.B. 393: AAC MUNICIPAL REVENUE DIVERSIFICATION - - OPPOSE

**H.B. 5546: AUTHORIZING MUNICIPALITIES TO INCREASE AND ASSESS FEES FOR SERVICES AND
VIOLATIONS - - OPPOSE AS WRITTEN**

**INSTEAD, SUPPORT FAIR AND INCENTIVE BASED APPROACHES TO PAY FOR SCHOOLS AND
MUNICIPAL SERVICES.**

***LOWER THE COST OF THE GOVERNMENT AND INTEGRATE TAX POLICY WITH ECONOMIC
DEVELOPMENT.***

Submitted to Planning and Development Committee
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by

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Despite their laudatory intent to help municipalities and taxpayers, many of these bills will create a low-performing revenue system that won't make Connecticut economically competitive. Allowing towns to "diversify" their sources of taxes and fees in a seemingly irrational, uncoordinated manner has competitive drawbacks. The resulting patchwork quilt won't only discourage new business, it will be inefficient to administer and understand.

REALTORS® support a system of taxation based upon a uniform assessment rate of present true and actual value for all properties as determined at time of revaluation. REALTORS® oppose tax schemes which subject different classes of property to different tax treatment. Concepts such as the "differential approach" and "homestead exemptions" provide relief to residential taxpayers but force owners of apartment buildings and other business properties to unfairly shoulder a high proportion of the tax burden. This in turn aggravates the shortage of affordable rental housing units.

REALTORS® have for many years advocated more emphasis on inter-town and inter-jurisdictional cooperation in solving growth management challenges and how to pay for them. State grants (from general revenues) are a sensible way to reward this. In particular, the "Regional Performance Incentive

Grant" program (whereby the State provides funds for "municipal collaboration" projects) aims to *reduce mill rates* while simultaneously fostering *cost-efficient land use patterns*.

In order to constrain and lower municipal property taxes, REALTORS® support reallocating State dollars to increase Payments in Lieu Of Taxes (PILOT), a roll back of the prevailing wage statute and reform of municipal binding arbitration rules.